

CABINET

10 JUNE 2014

GATEWAY 4 REPORT: HOMECARE SERVICES

Portfolio Holder: Councillor David Brake, Adult Services

Report from: Barbara Peacock, Director of Children and Adult Services

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Summary

This report reviews the progress of the contract currently delivered through the supplier(s) as highlighted within 1.1 of this report.

This Gateway 4 Report has been approved for submission to the Cabinet after review and discussion at Children and Adults Directorate Management Team and Procurement Board.

1. Background Information

1.1 Contract Background Information

1.1.1 This Gateway 4 report relates to the Homecare Services contract currently awarded to the following providers:

- Boldglen
- Independent Care & Support Ltd
- Meritum Independent Living
- Scott Care Ltd
- Here to Care
- Presland Care
- The People Care Team
- Avante Community Support
- Age UK Medway
- Guardian Homecare
- Community Care Line
- Anchor Support Services Ltd
- Plan Care
- Everycare Ltd

- Care UK Homecare Ltd
- Circle Support
- London Care
- Care Watch Maidstone
- Kent Social Care Professionals.

1.2.1 The commencement and delivery of this procurement requirement, Gateway 1 was approved by Cabinet on 6 September 2011. Approval for contract award was provided by the Cabinet on 2 October 2012.

2. Statutory/Legal Obligations

2.1 The Council has a range of statutory duties and powers to provide services to vulnerable adults such as older people, people with learning disabilities, physically disabled people, people with mental health problems, drug and alcohol misusers and carers. Duties and powers are contained within the National Assistance Act 1948, the Chronically Sick and Disabled Persons Act 1970, the NHS and Community Care Act 1990, the Mental Health Act 1983 together with other statutes and regulations.

2.2 Local authorities can provide or commission services in a variety of ways to meet the needs of those it assesses as eligible for services. Indeed the personalisation agenda encourages moves away from direct provision by local authorities to personal budgets allowing service users the choice to purchase services from a range of providers.

2.3 Homecare services provide care and support to eligible vulnerable individuals to enable them to remain within their own home and community. Homecare is only provided where there is an assessed need for the service and a financial assessment is made to determine the contributions towards the cost of care payable by the service user. The assessments are in line with Medway Council's Fair Access to Care Services (FACS) eligibility criteria. A failure to facilitate a supply of good quality homecare services would result in a high number of admissions to residential and hospital care with the subsequent high social and financial cost. The Care Quality Commission regulates Homecare services.

3. Business Case

3.1 Procurement Project Outputs / Outcomes

The following procurement outcomes/outputs identified as important at Gateway 1 to the delivery of this procurement requirement and identified as justification for awarding the contract at Gateway 3, have been appraised in the table below to demonstrate how the procurement contract and corresponding supplier(s) has delivered said outcomes/outputs.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?	How has contract award delivered outputs/outcomes?
1. Appointing homecare providers that can deliver the service requirements	The performance indicators will be reported every six months by providers and verified through site visits. The outcome of these indicators will determine the subsequent rating of the provider so that there is a dynamic aspect to the rating	Children and Adults Commissioning Team with the Performance and Intelligence Team for Children and Adults	As per the schedule in the contract.	6 month reviews of KPIs resulted in significant movement of providers across the framework. Originally there were 5 Gold, 8 Silver and 7 Bronze. After 6 months the ratings changed to 12 Gold, 6 Silver and 1 Bronze. After 12 months the ratings changed to 10 Gold, 8 Silver and 1 bronze.

4. Risk Management

Risk Categorisation – The following risk categories have been identified as having a linkage to the procurement contract at this Gateway 4 stage.

1. Risk Category: Contractual delivery	Likelihood: Low	Impact: Critical
Outline Description: Providers are not robustly managed to deliver a key objective of the contract: continuous improvement and enablement		
Plans to Mitigate: Partnership working required between the category management team, partnership commissioning team and the performance and intelligence team. A significant number of providers have improved their ranking as a result of the KPI review		
2. Risk Category: Equalities	Likelihood: Low	Impact: Catastrophic
Outline Description: Service users with complex care needs may not be supported due to the rates of the price envelopes		
Plans to Mitigate: An enhancement of 20% may be implemented where an assessment of needs of the individual has identified that there are significant, complex needs that would warrant such an enhancements. It should be noted this has not been used in the first six months of the contract. One of the KPIs looks at referrals providers have declined and the reasons for this. This picks up equality challenges such as language requirements.		

5. Post Project Appraisal/Permissions Required

5.1 Post Project Appraisal

5.1.1 This procurement post project appraisal and its subsequent review is within the Council's policy and budget framework and ties in with all the identified Core Values, Strategic Priorities, Strategic Council Obligations and Departmental/Directorate service plans as highlighted within the Procurement Gateway 1 Report.

5.2 Permissions Required

5.2.1 This report seeks permission to provide the Procurement Board with a post project appraisal and continue this termed contract for remainder of the contract duration of three years with an option to extend for a further two years. No further Gateway reports will be provided until the end of the 5 year contract in December 2017 apart for the request to utilise the extension within the contract.

5.2.2 This request is on the basis that this contract has fulfilled requirements in accordance with the service specification and associated contract terms and conditions a review of Key Performance Indicators.

5.2.3 If the contract is extended in line with the option to extend, then in the event of any major issues arising for the remainder of the contract term, a Gateway 5 will be submitted with immediate effect for review by the Procurement Board/Cabinet or if so required and instructed for review by the Procurement Board/Cabinet during the remainder of the contract term.

6. Contract Management

6.1 Contract Management

6.1.1 The contract management of this procurement contract will continue to be resourced for the remainder of the contract through the following contract management strategy.

6.1.2 The performance indicators are reported every six months by providers and verified through site visits. The outcome of these indicators will determine the subsequent rating of the provider so that there is a dynamic aspect to the rating; this model of delivery promotes and rewards continuous improvement by differentiating through Gold, Silver and Bronze ratings for best value.

6.1.3 Following the first 6 months of the contract, one provider withdrew from the framework, which reduced the number of providers from 20 to 19. The success of this model following the first six month KPI review has seen eight of the 19 suppliers improve their ranking by demonstrating they deliver good quality services that meet the need of service users and the Council. Two of the providers have been given a warning that should they score 0 in the 12 month review 2 or more times they will be

suspended. At the present time this relates to two providers, who have failed to return KPIs.

6.1.4 The Partnership Commissioning Team, supported by Category Management have worked closely with providers to reinforce the understanding of KPIs and ensure they continue to be measure of what is important. This will be an ongoing process throughout the life of the contract and will capture lessons learned and ensure commissioners and service providers work in partnership to deliver the best value for money for the Council and service users.

6.2 Key Performance Indicators (KPIs)

6.2.1 The current contract has performed well overall and delivered against the original tender objectives and specification.

6.2.2 The outcome of the first reporting period demonstrated that the providers were delivering good quality services to service users, as there was some movement of providers between quality bands resulting in an overall increase of the number of providers in the GOLD band whilst the number of providers in the BRONZE band reduced to 1 provider.

6.2.3 The second reporting period has again seen movement with a two providers moving from the GOLD band to SILVER. The number of providers within the BRONZE band has remained the same.

6.2.4 The KPIs against which providers are measured to ensure they are delivering a high quality service include:

- Timeliness of the service- 99.5% of calls were on time
- Reliability of the service-only 0.3% were missed calls
- Staff retention-only 3.6% of permanent staff left in this reporting period
- Staff supervision-this is a rate of 93%
- Staff training-the level of staff achieving NVQ level 2 is 52%. However this does not accurately reflect the level of training received by staff as most providers have an adequate training programme
- Complaints-44 complaint were dealt with within the reporting period, all of which were resolved within the required 28 days
- Enablement-90.2% of service users received a review of their support plan
- and 68.8% of service users receiving enablement packages had a reduction in care during the six week period.

6.2.5 Taking into account each providers individual performance score against the weighted key performance indicators their quality score was recalculated and this combined with their weighted price score is used to determine the banding which the provider is placed.

6.2.6 Of the 19 providers on the current framework the annual overall quality score for the two periods remained similar. An average quality score of 83.3% for period 2 compared to 83.67% for period 1.

6.2.7 Within this analysis 4 providers improved on their overall quality score with the other providers remaining the same or having a lower overall quality score. The overall scores by KPI also remained broadly similar.

6.2.8 The table below sets out the movement between bands since the commencement of the contract.

Date	Original	6 months	12 months
Gold	5	12	10
Silver	8	6	8
Bronze	7	1	1

6.3 Service Users Survey

6.3.1 During this reporting period 713 service user surveys were sent out by providers 659 (92.43%) service users responded to say they were satisfied or extremely satisfied with the quality of the service they provide.

	Number of service users who responded "extremely satisfied" or "satisfied" with the service provided	Number of surveys sent out	% satisfied
Provider 1	8	10	80.00%
Provider 2	13	14	92.86%
Provider 3	4	4	100.00%
Provider 4	59	63	93.65%
Provider 5	39	39	100.00%
Provider 6	5	5	100.00%
Provider 7	33	34	97.06%
Provider 8	205	239	85.77%
Provider 9	35	36	97.22%
Provider 10	2	2	100.00%
Provider 11	43	46	93.48%
Provider 12	118	118	100.00%
Provider 13	80	88	90.91%
Provider 14			
Provider 15	15	15	100.00%
Provider 16			
Provider 17			
Provider 18			
Provider 19			
Total	659	713	92.43%

7. Consultation

7.1 Internal (Medway) Stakeholder Consultation

7.1.1 As part of this on-going procurement contract management, internal stakeholder consultation has been held with Service Managers, Care Managers, and the Placement Team.

7.2 External Stakeholder Consultation

7.2.1 As part of this on-going procurement contract management, no external stakeholder consultation is required.

8. Procurement Board

8.1 The Procurement Board considered this report on 20 May 2014 and supported the recommendation set out below.

9. Service Comments

9.1 Finance Comments

9.1.1 This procurement contract and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendation at Section 9, has the following financial implications which the Cabinet must consider.

9.1.2 The budget for homecare services was reduced by a total of £1.9 million as a result of this procurement exercise, expenditure on homecare services in 2013-14 was within this reduced budget.

8.2 Legal Comments

8.2.1 There are no legal implications arising from this report or the recommendation.

8.3 TUPE Comments

8.3.1 Further to guidance from Legal Services, Human Resources and the Strategic Procurement Team, it was identified at Procurement Gateway 1 that although this procurement contract award is related to a Services procurement, TUPE did not apply to this procurement process. There was no TUPE implications resultant from this recommended procurement contract award at Gateway 3 and therefore there are no further TUPE issues to consider at this stage.

8.4 Procurement Comments

8.4.1 There are no procurement implications for this Gateway 4 report.

8.4.2 The contract has delivered against the objectives set out as part of the original tender specification. The supplier, through a robust internal contract management process, continues to provide the service in line

with the contract terms and conditions and continues to deliver to the appropriate key performance indicators. This demonstrates that that the Gateway 3 contract award decision was both correct and based upon a robust procurement process that has enabled the contract to be delivered effectively.

8.4.3 The framework has built in an option to open the framework each year and allow new providers to enter the market. The service made the decision not to open the framework in the first year. Each year this will be reviewed and should the decision be made to open the framework this will be bought back to Procurement Board in line with the council procedures.

8.5 ICT Comments

8.5.1 This procurement requirement does not have any ICT implications.

9. Recommendation

9.1 The Cabinet is requested to note the positive performance of the framework agreement during its first year and agree there is no requirement to submit Gateway 5 reports unless there are any major issues with the framework agreement and/or suppliers performance or until the end of the contract.

10. Suggested Reasons for Decision

10.1 The framework agreement continues to meet the strategic aims and statutory obligations of Medway Council and service users as outlined in the Gateway 1 and 3 reports. The dynamic nature of the framework agreement has demonstrated its ability to incentivise suppliers to adopt a continuous improvement ethos. With robust contract management and continued partnership working, the Council will see further service improvements and a better placed supply base to meet its future commissioning aspirations.

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BACKGROUND PAPERS

The following documents have been relied upon in the preparation of this report:

Description of Document	Location	Date
GW1 Report	http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?IId=6041	06/09/11
GW3 Report	http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?IId=9063	2/10/12